

NEWS RELEASE

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DeNUCCI CITES CONCORD PROVIDER FOR \$373,450 IN QUESTIONABLE COSTS

State Auditor Joe DeNucci reported today that Concord-Assabet Family and Adolescent Services, Inc. (CAFAS) spent \$373,450 in public money on a variety of questionable expenses, including more than \$116,000 in corporate credit card charges for undocumented or inadequately documented items such as restaurant and bar tabs, hotel bills, tuxedo and limousine rentals, trips to California and Florida and parties for staff members.

DeNucci's audit also criticized CAFAS, a nonprofit organization that provides comprehensive mental health and human services for children and adolescents, for mismanagement and inadequate inventory controls over \$1.7 million in property and equipment.

"The former management of Concord-Assabet spent thousands of dollars for purposes totally unrelated to the agency's mission," said DeNucci. "This was a serious abuse of the public trust."

DeNucci noted that CAFAS is now under a new management team that has already begun to take steps to improve the agency's operations. He commended the new management for cooperating with his office to correct the problems identified in his audit.

According to DeNucci's audit, CAFAS allowed 18 members of its administrative staff to use corporate credit cards for over 2,000 purchases totaling more than \$258,700. Of this amount, CAFAS charged the state more than \$116,000 for items that were either not properly documented or that were not related to the provider's social service programs.

Among the questionable expenses disclosed by DeNucci's audit was more than \$22,300 for airline tickets to out-of-state destinations that were not linked to the provider's state-funded programs.

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Other questionable expenditures, all of which involved the provider's former chief executive officer, included dinner at a restaurant in Half Moon Bay, California; a personal

fitness exercise machine; hotel bills for stays in St. Petersburg, Florida and Chicago and a goodbye gift for a former employee. In addition, more than \$15,600 was spent on food that was served at staff meetings, various parties and other functions, including more than \$1,400 for a going away party for a staff member who was also given a gift valued at \$275.

“Concord-Assabet should tighten controls over corporate credit card use to ensure that these bills are legitimate and business related,” DeNucci said.

DeNucci’s audit also uncovered highly questionable contract billings totaling almost \$84,000 involving the provider’s cost reimbursement contract with DSS to operate Bridge Home programs, designed by DSS to strengthen its foster care system, in Dedham and Waltham. According to the audit, CAFAS billed DSS for \$45,000 in consultants’ fees that it did not incur. Another \$38,700 for direct care/support staff services that were not provided was also charged to this contract.

Moreover, the audit found that CAFAS charged the contract for undocumented capital item purchases and program supply costs totaling almost \$136,000. These expenses included charges for furniture, computer equipment, leased vehicles, building improvements, and legal and architectural fees. The provider should have depreciated the costs of these items, as required by state regulations.

DeNucci also determined that CAFAS overcharged the Commonwealth almost \$38,000 for salary payments to its former executive director. The provider reported that its former CEO spent almost 85 percent of the time doing work that involved state contracts, but the audit revealed that the actual average for state work was below 70 percent.

“I am encouraged that my audit has been a catalyst for positive changes by the new management of Concord-Assabet,” DeNucci said. “Public funds for important programs for young people must be used only for those purposes and not for inappropriate personal use.”

